AIR LUCH
PRIORITY

CONFIDENTIAL
(Security Classification)

DO NOT TYPE IN THIS SPACE
773.5-MSP/5-558

FOREIGN SERVICE DESPATCH

399
DESP. NO.

FROM : AMEMBASSY TRIPOLI

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 5, 1958
DATE

REF : Tripoli Telegram 767, April 7, 1958; Benghazi Telegram 190, April 25, 1958

35 For Dept. Use Only	ACTION AF-5	DEPT.
	REC'D 5-12	INFO OTHER COM-10 TR-3 C.IA-12 FRB-2 XMB-4 AG-8

SUBJECT: Libyan Government Economic Aid Request for Libyan Fiscal Year 1958/59

The Embassy transmits as Enclosure No. 3, six mimeographed copies of a Libyan Government economic-aid request entitled "Proposed Economic Development Activities for 1958/9". Enclosure No. 1 to this despatch is a copy in reproducible form of the letter of transmittal of the request from the Libyan Prime Minister to the American Ambassador. Enclosure No. 2 is a copy in reproducible form of the Ambassador's interim reply.

A full reply to the Prime Minister must await a Libyan Government decision on whether to use for economic development or budgetary support the funds offered by the U.S. Government as available for either purpose (see Benghazi telegram 190).

For the Ambassador

Rodger P. Davies
Counselor of Embassy

Enclosures:

1. Letter from Prime Minister
2. Reply from Ambassador
3. "Proposed Economic Development Activities for 1958/9" (6 copies)

cc: Benghazi

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY G.M. Razi DATE May 6, 1982
PA or FOI EXEMPTIONS

FKLundy:rjt
REPORTER

CONFIDENTIAL

ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to RM/R files with an endorsement of action taken.

THIS DOCUMENT MUST BE RETURNED TO THE RM/R CENTRAL FILES

773.5-MSP/5-553 RMC CONFIDENTIAL FILE

FILED
JUN 12 1958

UNCLASSIFIED
(Classification)

UNITED KINGDOM OF LIBYA

Office of the Prime Minister

Benghazi, March 24th, 1958.

Excellency,

I have the honour to transmit for the consideration of Your Excellency's Government a document entitled "Proposed Economic Development Activities for 1958/9", in connection with the provision of additional economic aid to Libya. This document presents a statement of the development activities which my Government would wish to have undertaken in the financial year commencing 1 April 1958 and which it believes are feasible and would contribute substantially to the economic and social progress of the country.

It is my Government's view that the development efforts made so far have been of manifest benefit for the political and economic stability of the country and that this can best be secured by the continuation of the development programme on the lines set forth in the document. In making this effort we are indebted to the United States Operations Mission in Libya and to the United Nations Technical Assistance Mission for substantial aid, and we are basing our programme on the continuation of this assistance.

One problem which is of grave concern to us is referred to in the introductory note to the attached paper. This is the growing demand on the country's annual budget by the completed development works, particularly in the fields of health and education. Certain projects in the educational field have hitherto been financed out of ICA technical assistance funds, but it now appears that this financial support cannot be continued from this source. It is unfortunately not yet possible to provide for these costs from either Federal or Provincial budgets; they have therefore been included in the statement.

In transmitting this document my Government would wish to record its gratitude to your Excellency's Government for the generous assistance and co-operation which has been provided by it in the past and which has sustained so important a part of our development programme.

Accept, Excellency, the renewed assurances of my highest consideration.

ABDUL MAJID COOBAR
PRIME MINISTER

H.E. the United States Ambassador in Libya,
American Embassy,
Benghazi.

UNCLASSIFIED

DECLASSIFIED

Benghazi, March 26, 1958.

Excellency:

I have the honor to acknowledge the receipt of your letter of March 24, 1958, transmitting a document entitled "Proposed Economic Development Activities for 1958/9" involving economic aid to Libya. I shall forward to my Government copies of this document together with your covering letter for its consideration. I may wish to comment in a more substantive manner when the staff of the Embassy and the United States Operations Mission have had an opportunity to study the proposal of Your Excellency's Government in detail.

Accept, Excellency, the renewed assurances of my highest consideration.

s/ J. Wesley Jones
American Ambassador

His Excellency

Abdul Majid Ccobar,

Prime Minister of the

United Kingdom of Libya.

Tripoli Desp 3

DECLASSIFIED

AF

UNITED KINGDOM OF LIBYA

PROPOSED ECONOMIC DEVELOPMENT ACTIVITIES FOR 1958/9

26 February 1958

31.3.59.

The attached proposals are based upon further consideration of the report of the Committee appointed by the Prime Minister to study a programme of projects for economic assistance to Libya during the fiscal year 1958/9 to be presented to the Government of the United States of America. The Committee's report has been reviewed by and discussed with technical experts and advisers working with the Government of Libya.

It has been necessary to provide for a number of projects as a matter of course since they are not yet completed. Some new projects, such as cold storage plants, are proposed and provision has been made for the extension of earlier projects. In general, however, the programme is a continuation of the previous development programmes, with such variations only as experience has shown to be desirable: it represents a justified statement of the development activities which should be carried out in 1958/9 to ensure the continuation of the country's economic and social development. The programme is one that can reasonably be expected to be implemented without producing disadvantageous distortions in the economy of Libya in the short-term, while contributing to its development and integration in the longer term.

The activities proposed in the programme may be considered in a few major groups. A large segment is for facilities that contribute to the cohesion of this new country through modern communications methods, including roads, telecommunications and radio broadcasting. These facilities, together with the large projects of Tripoli Electric Power and Benghazi Harbour, also provide the basic structure on which economic development, both private and public, can proceed. In the present programme, as in the past, large sums are set aside for these projects, but in many cases the allocation of funds for them is now nearing completion and future programmes should show significant reductions in the proportion allocated to them.

Another large segment of activities is for continued assistance to the development of agriculture and natural resources. This includes, in addition to the specific activities to be financed directly in this programme, additional capitalization for the National Agricultural Bank which would enable it to extend its scope to include medium-term credit for agricultural development. The proposals for agricultural development during the next financial year represent generally a continuation of programmes initiated in the past. The broad objective is to increase production and, in turn, real income. Naturally the projects vary widely in their direct effects upon

production

For operating costs, including teachers' salaries,

production, but the programme seeks to fulfil the aim that agriculture, animal husbandry and afforestation must be brought as rapidly as possible to a condition in which they can play a major part in producing wealth.

Most of the other activities included in the programme provide assistance in the fields of health and education. Provision has also been made for the assistance and encouragement of private enterprise.

There are certain considerations which experience has shown have not always been accorded in Libya the importance and emphasis due to them in any plan of economic development. They have been kept in mind in the formulation of the attached proposals and since they will be important in the final programming and implementation of these proposals they are restated here.

In certain sectors of the economy, particularly in that of agriculture, development projects are seriously impeded by inadequate legislation. In the wider interests of the agricultural community, as distinct from the interests of individuals, this situation calls for early and urgent review by the Government and the early enactment of legislation now under consideration.

A concentrated effort should now be made to evaluate the agricultural programme and the relevant parts of the public works programme in more quantitative terms than has been possible hitherto. It should be practicable to evaluate the components of these programmes in terms of land brought under production or the increase in production or capacity, and so make possible a better judgement of where future investment by the Government should flow.

Some of the projects already completed, and some which will be completed during the next fiscal year, will make new demands upon the country's recurrent budget for support and maintenance. This is particularly so in the spheres of health, education and training. Although some estimates have been made regarding the magnitude of such demands, a more thorough investigation is a matter which requires early and continued attention. An important example arises in respect of the costs of operating and maintaining certain schools and colleges which are at present borne by Libyan-American Joint Services out of technical assistance funds. These costs have hitherto been met out of ICA technical assistance funds on the understanding that the schools were demonstration units, but the perio for which the schools have been in operation now invalidates this argument and it is apparent that no further funds will be available for this purpose from the technical assistance budget. It is clear

/that

DECLASSIFIED

that these costs cannot yet be borne by the Federal and Provincial budgets and they have been included in this programme as the only alternative to the closure of the institutions concerned.

In the case of those projects which accrue to the direct benefit of individuals, the individual should himself make some contribution to the project with his own hands. Experience shows that greater value is attached to a benefit when the beneficiary has himself made some contribution to it, and, human nature being what it is, that which is easily obtained is apt to be lightly valued.

If projects are to make a maximum contribution to the development of the Libyan economy it is of the utmost importance that on completion they must be competently and efficiently managed. If they are not, then the money expended on the projects is wasted: indeed, incompetently managed projects may do positive harm to the Libyan economy. It cannot be expected that the requisite skill and experience yet exists in Libya to manage and run highly technical operations such, for example, as wool-washing plants, cold storage plants, electricity undertakings and the like. Technical skills will therefore have to be obtained from overseas for some years until there has been time to train Libyan personnel to the requisite standards of knowledge and skill.

Finally, the programme as a whole calls for efficient and economical administration and a working together with goodwill on the part of all Ministries and Government agencies in the national interest as a whole.

26 February 1958

there are no facilities at this level near their homes:

DECLASSIFIED

PROPOSED PROGRAMME FOR 1958/59

RECAPITULATION

	Total Earmarked by LARC 1955/6-1957/8	Proposed Programme 1958/9
	£L	£L
Agriculture and Natural Resources	2,305,726	1,966,300
Education	1,392,516	1,202,000
Health	1,161,170	630,000
Public Works	4,479,981	3,379,500
Banks, Special Projects	5,434,556	1,830,000
TOTALS	14,773,949	9,007,800

The development programme for agriculture and natural resources aims broadly at increasing production and in turn, real income. The government considers investment in these two closely related areas as the highest priority in the programme for economic development as agriculture, including of course animal husbandry, is the principal source of domestic income and will continue to be for the foreseeable future. The proposals contained in the present programme envisage a continuation and intensification of many activities already under way in the country. The targets of these activities may be put into four categories; to increase the areas of arable land either through additional irrigation or reclamation; to improve breeds and strains; to educate in better farming methods; to improve marketing facilities.

This year's programme puts new emphasis upon three activities. The first of these is an acceleration of work on marketing facilities in Tripoli and Benghazi. It is estimated that £L 520,000 will be required for this work; it will include renovation of the existing abattoirs in both cities, construction of chilling rooms, and construction of cold storage facilities.

Planning is also under way for rehabilitation of the former ENTE farms in Cyrenaica. A co-ordination of development in this area similar to the development of the settlement in Wadi Caam is proposed for the area, the cost of which is tentatively put at £L 200,000.

The third activity is an acceleration of development in the Fezzan; plans for this are well advanced, and administrative personnel are now present. A total of just over £L 82,000 is involved in this programme.

A more detailed discussion of the programme for agriculture and natural resources by project groupings follows.

A. The means of achieving the target of increasing the areas under cultivation include most of the projects in the area of natural resources - those directed at locating or utilizing additional water resources - as well as projects concerned with range management and afforestation.

Irrigation projects

Amount earmarked 1955/6 - 1957/8: £L 252,655

Amount proposed 1958/9: 70,000

To secure maximum use of available water supplies through extension work, by the provision of cheap irrigation canal lining material, the encouragement of self-help projects and by demonstration work.

/Soil

NOT SCANNED

Soil and Surface Water Conservation

Amount earmarked 1955/6 - 1957/8: £L 708,214
Amount proposed 1958/9: 660,000

These projects constitute a large programme for dike building, dam construction, terracing, wadi control and related measures of soil and surface water conservation. The primary objective is to obtain additional arable land for cultivation and to prevent the destructive floods of recent history. The success of self-help projects in this field has been highly encouraging and greater efforts are implicit in the proposals for the next year to extend these. It is proposed also to examine the possibility of area development schemes where sizeable areas can be brought under control.

Ground Water Investigation

Amount earmarked 1955/6 - 1957/8: £L 137,786
Amount proposed 1958/9: 75,000

These projects are to acquire detailed information on the hydrological characteristics of Libya. The continuation of the search for new water sources is an essential part of the overall improvement of Libyan agriculture. Some important new water resources have been found and the programme planned should add significantly to Libya's known water resources. Mention should be made of the complementary efforts of petroleum companies which obtain in their prospecting a great deal of data concerning ground water.

Range Management

Amount earmarked 1955/6 - 1957/8: £L 55,000
Amount proposed 1958/9: 16,000

These activities are twofold; to improve ranges by better control and seeding practices and to demonstrate practical methods of storing forage that better supplies may be available during drought.

Afforestation

Amount earmarked 1955/6 - 1957/8: £L 242,026
Amount proposed 1958/9: 125,000

The afforestation programme turns on two objectives - sand dune fixation and expansion of forested areas. The various projects include maintenance of and enlarging of nurseries, protection of existing forests, afforestation of sand dunes, steppes and the gebel.

/B.

improve farming methods by increasing the farmers' knowledge and to raise output through better grades of seeds and strains of animals.

Agricultural Extension Training

Amount earmarked 1955/6 - 1957/8: £L 87,000

Amount proposed 1958/9: 83,000

The extension programme involves both the training of prospective Libyan extension officers and the direct instruction of Libyan farmers in more productive methods and techniques of agriculture. The amounts proposed for this year project an expansion of activities over the level of recent years.

Livestock Improvement and Veterinary Services

Amount earmarked 1955/6 - 1957/8: £L 145,800

Amount proposed 1958/9: 55,000

The livestock improvement programme includes the rehabilitation and expansion of breeding facilities and the provision of sires. The project for improvement of veterinary services contemplates expansion of mobile veterinary services in Cyrenaica; the funds are to obtain necessary equipment and supplies.

Crop Protection

Amount earmarked 1955/6 - 1957/8: £L -

Amount proposed 1958/9: 10,000

A new activity, the programme for crop protection will enable the farm extension advisers to take more direct steps in assisting local farmers. The funds will finance procurement of spray guns and insecticides.

Other Activities

Amount earmarked 1955/6 - 1957/8: £L 175,302

Amount proposed 1958/9: 304,000

The larger item in this group is the area development programme, particularly the rehabilitation of the ENTE farm complex in Cyrenaica. An aerial survey is planned there to facilitate evaluation of farm lands and to assist in establishing cultivation policy, establishment of boundaries, etc. Other projects in this category include a fisheries development plan to be based on the report by the FAO. This looks toward a rapid expansion of domestic fishing capacity. Funds will also be made available to the National Agricultural Bank for loans to assist the creation and development of agricultural

/co-operatives

to give a much more adequate service than the present large number of

DECLASSIFIED

co-operatives in Libya. The project "Horticultural nurseries" is designed to continue the improvement of fruit and other tree crops by raising and supplying improved seedlings.

C. The last category of the agricultural development programme includes the projects designed to improve marketing facilities and certain miscellaneous projects.

Wool Washing and Cold Storage Plants

Amount earmarked 1955/6 - 1957/8: £L 110,000
Amount proposed 1958/9: 530,000

£L 10,000 is required for completion of the wool-washing plant in Benghazi to finance installation of indoor drying equipment. The remainder of the proposed financing will be required for the cold storage project as described above.

Other

Amount earmarked 1955/6 - 1957/8: £L 36,350
Amount proposed 1958/9: 40,000

Two small projects fall into this group, the minerals investigation, which aims at building up the scanty knowledge of the country's mineral resources, and a basic data programme. The latter is to finance the marshalling of basic data relating to Libya's natural resources and economic development needs which at present is dispersed in a large number of disconnected documents.

Amount earmarked 1955/6 - 1957/8: £L 195,714

PROPOSED ECONOMIC DEVELOPMENT ACTIVITIES FOR 1958/9

AGRICULTURE AND NATURAL RESOUCES

LARC Project	Total Earmarked by LARC 1955/6-1957/8	Proposed Programme 1958/9
	£L.	£L.
Livestock Improvement		
A1T Livestock Improvement	40,000	17,500
A1C " "	82,000	10,000
A13F " "	8,800	17,500
A2T Range Management	30,000	8,000
A2C " "	25,000	8,000
A9C Veterinary Services	15,000	10,000
Sub-total	200,800	71,000
Agricultural Industries		
A17C Wool Washing Plant	13,000	8,300
A6L Cold Storage	100,000	520,000
Sub-total	113,000	528,300
Afforestation		
A3T Afforestation	97,026	50,000
A3C "	145,000	75,000
Sub-total	242,026	125,000
Agricultural Extension Training		
A7T Agricultural Extension	49,500	35,000
A7C " "	29,500	35,000
A7F " "	8,000	13,000
Sub-total	87,000	83,000
Area Development		
A19T Area Development	58,200	10,000
A19C " "	35,714	200,000
A19F " "	-	1,000
Sub-total	93,914	211,000
Other Agricultural Projects		
A8C Horticultural Nurseries	20,388	10,000
A10L Fisheries	5,000	50,000
A28T Crop Protection	-	5,000
A28C " "	-	4,000
A28F " "	-	1,000
A29L Agricultural Cooperatives	-	25,000
A24C Agricultural Buildings	56,000	8,000
Sub-total	81,388	103,000

To provide for expert staff, their equipment and support

LARC Project	Total Earmarked by LARC 1955/6-1957/8	Proposed Programme 1958/9
	£L.	£L.
Ground Water Investigations		
B1T Ground Water Investigations	58,786	25,000
B1C " " "	64,000	40,000
B1F " " "	15,000	10,000
Sub-total	137,786	75,000
Irrigation Projects		
B3C New Irrigation Systems	3,655	10,000
B7T Wadi Caam Springs	154,000	10,000
B7Ta Irrigation Projects	31,000	10,000
B11Fal " "	64,000	40,000
Sub-total	252,655	70,000
Soil & Surface Water Conservation		
B5T Soil & Surface Water Conservation	273,214	150,000
B5C " " " "	260,000	300,000
B12T " " " "	175,000	210,000
Sub-total	708,214	660,000
Other Activities		
B10L Minerals Investigation	36,350	10,000
B13L Basic Data	-	30,000
Sub-total	36,350	40,000
TOTAL	1,953,133	1,966,000

EDUCATION

The policy which forms the basis of the proposals presented below is briefly as follows :

(a) to provide preparatory schools, as a matter of highest priority, in order that higher education may be available for a proportion of the much greater numbers of pupils now passing through the elementary schools and to serve as a holding operation for these pupils until suitable secondary schools can be built. This would give a better balance to the educational system and would ensure a flow of candidates suitable for elementary school teaching or for training at a higher level as teachers and technicians, enabling the country gradually to dispense with the large numbers of imported teachers and technicians at present required. The provision of preparatory, and ultimately secondary, schools in the main population centres would also reduce the very great expenditures on boarding costs at present incurred because education at the preparatory/secondary level is available only in a very few towns and a large number of students must therefore be boarded at such schools.

(b) to provide teacher training on an increased scale in order that the educational system may be expanded and that the foreign teachers at present employed may be replaced by Libyans with a consequent reduction in operating costs. Some 75% of the imported teachers are working in preparatory and secondary schools, so that their replacement calls for Libyans with high qualifications and for this reason it is essential that secondary education should be increased with possibly a School of Education within the University of Libya. Teacher training for the elementary schools will be extended under the current programme and by the provision of a new building for the Women's Teacher Training College in Tripoli.

(c) to continue technical and vocational education at roughly the level which will be achieved under the existing programme, with only minor additions to its size and scope in the 1958/9 proposals.

(d) to replace or rehabilitate certain elementary schools which are inadequate for their purpose. It is not proposed to enlarge the elementary system since to do so would create an even greater demand for higher education which could not be met and would call for further enrolment of foreign teachers at high cost without making any provision for their replacement by Libyans.

(e) to continue the provision of overseas scholarships at the same level as in the current year in order that Libyans may be given University and technical training at University level which will enable them to replace imported technicians.

The operating costs included in the programme represent the costs of operating and maintaining the secondary technical schools and teacher training colleges which are at present borne by LAJS out of technical assistance funds provided by ICA. It is the policy of the US Government, in general, not to provide funds for recurrent costs except in special circumstances and these operating costs have hitherto been provided on the understanding that the schools were demonstration units. The schools have now been in operation long enough for this argument not to apply, and it is apparent that no further funds will be available from the technical assistance budget for their operating and maintenance costs. It is clear that these costs cannot yet be borne by the Federal and Provincial Budgets and accordingly they have been included here as the only alternative to the closure of the institutions concerned.

Details of the 1958/9 programme proposals are set out below.

CIT School of Vocational Agriculture and Handicrafts, Tripoli

Synopsis : To ensure a sound agriculture educational programme in Tripolitania by the erection and equipping of schools and related farm buildings. This project now includes the vocational handicrafts training school.

Amount earmarked 1955/6 - 1957/8 : £L. 160,400

Amount proposed 1958/9(a) : £L. 35,000

To rehabilitate present buildings and to provide the necessary farm workshops and laboratory equipment for the combined agriculture and handicrafts programme. At present the school's graduates are not acceptable to universities: the provision of these new facilities will enable the school to prepare students vocationally and academically acceptable to universities. Rather more academic instruction will be given than has hitherto been the case. It is not expected that this expenditure will result in any great increase in operating costs.

Amount proposed 1958/9(b) : £L. 40,000

For operating costs, including teachers salaries and technical materials, in the period 1.4.58 to 31.3.59.

/CICa

The activities which form the substance of the public works

DECLASSIFIED

CICa Secondary School of Agriculture, El Aweila

Synopsis : To provide basic and technical knowledge in improved agricultural practices and trade skills by improving and increasing facilities for training.

Amount earmarked 1955/6 - 1957/8 : £L. 54,715

Amount proposed 1958/9 : £L. 28,000

For operating costs, including teachers salaries, educational materials and boarding costs, in the period 1.4.58 to 31.3.59.

CIC Secondary School of Trades, Benghazi

Synopsis : To accommodate a larger number of students and to develop the type of education system necessary. Includes rebuilding classrooms and administration building; repairing workshop buildings and a warehouse; building a trades shop and classroom, water closets, drinking fountains and front entrance and installing such items as septic tanks, water lines and electric wiring.

Amount earmarked 1955/6 - 1957/8 : £L. 101,257

Amount proposed 1958/9(a) : £L. 10,000

To equip electrical and plumbing workshops and thus enable the school to accept 40 additional pupils in the school year 1959/60 for training in these fields.

Amount proposed 1958/9(b) : £L. 50,000

For operating costs, including teachers salaries, educational materials and boarding costs, in the period 1.4.58 to 31.3.59.

CI2T Technical and Clerical Training Centre, Tripoli

Synopsis : To provide workshop and mechanical equipment for the Centre

Amount earmarked 1955/6 - 1957/8 : £L. 10,[illegible]

Amount proposed 1958/9 : £L. 3[illegible]

To provide equipment and machinery for the school workshops.

CI4L Vocational Centres, Libya

New Project

Amount proposed 1958/9 : £L. 10,000

To equip vocational centres at some provincial schools in rural areas where agriculture and handicrafts instruction is given.

CI0L Men's Teacher Training College, Benghazi

complete as soon as possible the application of a seal

C1C Secondary School of Trades, Benghazi

Synopsis : To accommodate a larger number of students and to develop the type of education system necessary. Includes rebuilding classrooms and administration building; repairing workshop buildings and a warehouse; building a trades shop and classroom, water closets, drinking fountains and front entrance and installing such items as septic tanks, water lines and electric wiring.

Amount earmarked 1955/6 - 1957/8 : £L. 101,257

Amount proposed 1958/9(a) : £L. 10,000

To equip electrical and plumbing workshops and thus enable the school to accept 40 additional pupils in the school year 1959/60 for training in these fields.

Amount proposed 1958/9(b) : £L. 50,000

For operating costs, including teachers salaries, educational materials and boarding costs, in the period 1.4.58 to 31.3.59.

C12T Technical and Clerical Training Centre, Tripoli

Synopsis : To provide workshop and mechanical equipment for the Centre

Amount earmarked 1955/6 - 1957/8 : £L. 10,000

Amount proposed 1958/9 : £L. 3,000

To provide equipment and machinery for the school workshops.

C14L Vocational Centres, Libya

New Project

Amount proposed 1958/9 : £L. 10,000

To equip vocational centres at some provincial schools in rural areas where agriculture and handicrafts instruction is given.

C10L Men's Teacher Training College, Benghazi

Synopsis : To provide the physical plant and basic equipment, including laboratory equipment, classroom furnishings and instructional materials, for the College.

Amount earmarked 1955/6 - 1957/8 : £L. 250,000

Amount proposed 1958/9 : £L. 98,000

/For

UNCLASSIFIED

For operating costs, including teachers' salaries, educational materials and boarding costs, for the period 1.4.58 to 31.3.59. This figure includes the operating costs of the Women's Teacher Training College, Benghazi.

C13T Women's Teacher Training College, Tripoli

New Project

Amount proposed 1958/9(a) : £L. 200,000

To be used for the construction of a physical plant to accommodate the College, a secondary school for girls and a demonstration school attached to the college. This project will secure adequate facilities for the college and enable women teachers to be prepared for elementary schools: it will also provide for secondary education for girls in the Tripoli district.

Amount proposed 1958/9(b) : £L. 110,000

For operating costs of the Men's and Women's Teacher Training Colleges in Tripoli; for the provision of some teachers in Tripolitanian secondary schools; for staff for the English language programme and the science programme and for facilities for the library programme in Tripolitania.

C11L Scholarships, Libya

Synopsis : To provide overseas scholarships for secondary school graduates, graduates from Egyptian universities and special participants in order that they may receive technical training at the university level and so provide Libya with qualified personnel and reduce the country's dependence on foreign experts.

Amount earmarked 1955/6 - 1957/8 : £L. 214,286

Amount proposed 1958/9 : £L. 215,000

To continue the scholarship programme at the same level as in the current year. At present there are 43 active scholarships and 18 in process of arrangement: their total cost over the full period for which the scholarships are tenable (up to 5 years) is estimated at £L. 199,073, which leaves a balance from earmarked funds of £L. 15,213 as a reserve for contingencies. Thus the whole of the original earmark is committed to maintain existing scholarships. The new funds will enable a roughly similar number of scholarships to be started in 1958/9.

C2L University of Libya

Synopsis : Establishment of the University of Libya.

Amount earmarked 1955/6 - 1957/8 : £L. 160,000

Amount proposed 1958/9 : £L. 65,000.

For operating costs of a School of Education at the University, if facilities for such a school are available. This amount will provide a staff of 5 professors for 2 years and the basic instructional materials. At present the University does not produce trained teachers in significant numbers and the establishment of a School of Education is thought to be essential to the teacher training programme.

C6C Construction of Schools, Cyrenaica.

Synopsis : To provide for the construction, remodelling or rehabilitation of elementary, preparatory and secondary schools in Cyrenaica.

Amount earmarked 1955/6 - 1957/8 : £L. 85,000

Amount proposed 1958/9(a) : £L. 60,000

To provide for the replacement or rehabilitation of existing inadequate elementary school buildings. Many of the elementary school buildings are totally unfitted for use as schools and the proposal would allow for the provision of more adequate accommodation in the worst cases. It is not expected that there would be any substantial addition to the operating costs of the Libyan Government as a result of this work.

Amount proposed 1958/9(b) : £L. 60,000

To expand certain existing elementary schools to preparatory schools and certain existing preparatory schools to secondary schools by adding the necessary classrooms. These facilities would provide higher education for a proportion of the increasing numbers of pupils now passing through the elementary schools, would hold pupils at school until secondary schools are built, would increase the numbers of Libyan elementary school teachers available to replace foreign teachers and expand the elementary system and would provide a flow of students suitable for training at a higher level, thus providing for Libyan teachers in preparatory and secondary schools and for the replacement of imported technical experts. Although the proposal would increase the burden on government finance of education through the need to provide additional teachers and materials, this burden would be offset to some extent by the reduction in boarding costs which would result. At present a very high proportion

there are no facilities at this level near their homes: the provision of preparatory/secondary schools in the main population centres would eliminate a large part of these costs. The increased supply of Libyan teachers would also materially reduce operating costs since their salaries are approximately half those of imported teachers.

C6T Construction of Schools, Tripolitania

Synopsis : To provide for the construction, remodelling or rehabilitation of elementary, preparatory and secondary schools in Tripolitania.

Amount earmarked 1955/6 - 1957/8 : £L. 136,000

Amount proposed 1958/9(a) : £L. 75,000

To provide for the replacement or rehabilitation of existing inadequate elementary school buildings (see C6C).

Amount proposed 1958/9(b) : £L. 75,000

To expand certain existing elementary schools to preparatory schools and certain existing preparatory schools to secondary schools by adding the necessary classrooms (see C6C).

C6F Construction of Schools, Fezzan

Synopsis : To provide for the construction, remodelling or rehabilitation of elementary, preparatory and secondary schools in Fezzan.

Amount earmarked 1955/6 - 1957/8 : £L. 10,000

Amount proposed 1958/9 : £L. 15,000

For the construction or rehabilitation and equipment of elementary schools.

C3F Rural Education and Craft Training, Fezzan

Synopsis : To provide facilities for the teaching of crafts under the direction of an expert in this field provided by the United Nations ILO, which would enable the local population to raise their standard of living by work additional to subsistence agriculture and animal husbandry.

Amount earmarked 1955/6 - 1957/8 : £L. 3,729

Amount proposed 1958/9 : £L. 13,000

For the continuation and extension of the project.

C7L Audio Visual

Synopsis : To produce, and to train Libyans in the production of, audio-visual aids for teachers, technicians and the government in order that they may convey their messages to the greatest number of people in the most effective way.

Amount earmarked 1955/6 - 1957/8 : £L. 76,100

Amount proposed 1958/9 : £L. 40,000

/For

DECLASSIFIED

For the continuation of the work of the audio-visual unit. In future the costs of the unit will be met by the organizations which use it and which will be responsible for reimbursing the unit from their own funds. The sum proposed is therefore in the nature of an operating revolving fund, although it will also have to cover expenditure which cannot be reclaimed.

DECLASSIFIED

PROPOSED ECONOMIC DEVELOPMENT ACTIVITIES FOR 1958/9

EDUCATION

LARC Project	Total Earmarked by LARC 1956/6-1957/8	1958/9 Proposals: Proposed Programme 1958/59	1958/9 Proposals: Operating Costs 1958/59
	£L	£L	£L
C1T School of Vocational Agriculture and Handicrafts, Tripoli	160,400	35,000	40,000
C1Ca Secondary School of Agriculture, El Aweila	54,715	-	28,000
C1C Secondary School of Trades, Benghazi	101,257	10,000	50,000
C12T Technical & Clerical Training Centre, Tripoli	10,000	3,000	-
C14L Vocational Centres, Libya	-	10,000	-
C10L Men's Teacher Training College, Benghazi	250,000	-	98,000
C13T Women's Teacher Training College, Tripoli	-	200,000	110,000
C11L Scholarships, Libya	214,286	215,000	-
C2L University of Libya	160,000	-	65,000
C6C Construction of Schools, Cyrenaica	85,000	120,000	-
C6T Construction of Schools, Tripolitania	136,000	150,000	-
C6F Construction of Schools, Fezzan	10,000	15,000	-
TOTAL	1,181,658	758,000	391,000
Joint Services Projects			
C3F Rural Education and Craft Training	3,729	13,000	
C7L Audio Visual	76,100	40,000	
		£11,000	
Operating Costs 1958/9	-	391,000	
TOTAL	1,261,487	1,202,000	

HEALTH

The objectives of the Health Programme are to provide adequate medical facilities and train Libyans to operate them; to provide a basic public health and sanitation service and to train Libyans to operate it, and to provide domestic water supplies in the smaller towns and in rural areas.

With regard to the medical facilities, these at present consist of two principal base hospitals in the Federal capitals and a number of smaller satellite hospitals in the outlying areas. It is intended that the smaller hospitals should be operated by general practitioners and that all specialist services should be concentrated in the Tripoli and Benghazi hospitals. The hospital facilities are adequate so far as their size is concerned, but as a result of wartime neglect and damage they are in need of considerable re-equipment and modernization. Lack of funds in the past two years has prevented this work of rehabilitation from proceeding at the rate originally hoped for and it is desirable that a substantial share of available aid in 1958/9 should be used for this work.

Although the size of the facilities available is thought to be adequate in the present situation of Libya, the same is not true with regard to the availability of personnel to operate the facilities. Many of the medical services available cannot be efficiently utilized because there are no trained staff to operate them. Even more serious is the fact that there is a lack of qualified personnel and facilities for the training of Libyans for the hospital service, in particular for nursing. It is necessary, therefore, that some of the development funds available should be used for the employment of specialist staff to utilize the equipment available, for specialists who would train Libyans to operate the medical services and for the provision of adequate facilities for training in the hospitals.

The Public Health programme allows for the continuation in 1958/9 of the many important activities designed to raise the health standards of the Libyan people by preventive methods. The objectives are to train Libyans to operate the public health services; to provide basic public health and sanitation facilities; to construct or rehabilitate and equip ambulatoria which will provide public health and education centres as well as elementary medical care; and to assist in the elimination of communicable diseases. It is proposed to consolidate the ambulatoria system by reducing the number, by providing a limited number of central ambulatoria combined with public health centres each served by a few satellites and by equipping and staffing these ambulatoria so that they will be able

to give a much more adequate service than the present large number of small but less efficient dispensaries.

The provision of domestic water supplies which are so important to the health and well being of the population will be continued. The programme of water supplies for the smaller towns should be completed within two years, although the problem of sewerage disposal which arises from increased water supplies in the towns will shortly have to be faced. In rural areas the sanitation and improvement of wells has proceeded fast enough in recent years to allow a gradual tapering off of this work and it is proposed to reduce the number of personnel so employed.

Details of the proposed programme for 1958/9 are set out below:

D1L Ambulatoria, Libya

Synopsis: To rehabilitate existing buildings and equip infirmaries adequately; to give refresher courses of instruction to attendants so that they can render first aid, give basic medical care and prevent the spread of diseases through preventive measures.

Amount earmarked 1955/6 - 1957/8: £L 33,700

Amount proposed 1958/9: 25,000

For the construction or rehabilitation and equipment of selected ambulatoria. The ambulatoria are now considered as part of the Public Health programme and will be integrated into that programme. The intention is to provide large and well equipped ambulatoria in a few towns which will serve as base ambulatoria for large areas, in each of which will be located a number of smaller satellite ambulatoria. The main ambulatoria will serve also as public health centres for trachoma control and treatment, sanitation and disease control, preventive medicine, hygiene and health education and local nursing services, including maternal and child care. The need to rebuild the ambulatoria is great, but it should only be undertaken if integrated with the public health and hospital programme.

D4L Trachoma and Basic Health Equipment

Synopsis: To purchase equipment and medical supplies to extend trachoma control to a larger portion of the Libyan population; to procure medical supplies to be dispensed for home treatment; to establish clinics and mobile surgical units to carry out operative treatment; to support community health centres, preventive medicine, nutrition, maternal and child welfare and health education.

/Amount

Amount earmarked 1955/6 - 1957/8: £L 195,714
Amount proposed 1958/9: 140,000

To continue the basic public health and trachoma control programme. This programme is now getting under way and the sum proposed is essential if it is to be maintained at an adequate level.

D3L Health Laboratory Facilities, Libya

Synopsis: To refurbish and re-equip public health laboratories in Tripoli, Benghazi and Sebha, and district hospital laboratories to perform limited tests for the rapid diagnosis of disease.

Amount earmarked 1955/6 - 1957/8: £L 17,500
Amount proposed 1958/9: 20,000

To continue the construction and equipment of the health laboratories. At present the laboratory facilities for hospitals are in good condition to support clinical work and the amount proposed would be sufficient to complete their equipment for this purpose, and additionally to provide facilities for the support of public health activities.

D6L Sanitation (Rural)

Synopsis: To assist rural communities and villages in the development of sanitary facilities; to provide new sanitary facilities at schools or to rehabilitate existing facilities; to establish community public baths and latrines and other sanitary facilities to control filth diseases.

Amount earmarked 1955/6 - 1957/8: £L 73,057
Amount proposed 1958/9: 69,000

To continue the fly control, sanitary inspection and other sanitation activities embraced in this project. The sum proposed will enable the programme to be maintained at present levels, and as the project is now making headway with the rural population it is considered undesirable to cut it at this stage. Some three to four more years will be required before development funds can be withdrawn from this activity.

D8L Tuberculosis Survey

Synopsis: To carry out a survey of the population which will provide data for a tuberculosis policy to be developed.

Amount earmarked 1955/6 - 1957/8 £L 22,000
Amount proposed 1958/9: 5,000

/To

To provide for expert staff, their equipment and support for the survey. Most of the necessary equipment has now been purchased and the technicians have been recruited, but the difficulties experienced in recruiting the right type of personnel have led to a slowing down of the project which is now some months behind schedule.
It has been possible, therefore, to reduce the requirement for 1958/9 to £L 5,000.

D7L Rehabilitation of Libyan Hospitals

Synopsis: To refurbish and equip hospitals and to extend the scope of their facilities, including the training of nurses, midwives, sanitarians and other health personnel.

Amount earmarked 1955/6 - 1957/8: £L 224,400
Amount proposed 1958/9: 180,000

To reconstruct facilities in the hospitals and to provide expert staff for the operation of medical facilities and for the training of Libyan medical personnel. The greater part of this amount will be used for the rehabilitation of the two base hospitals in Tripoli and Benghazi since these offer a countrywide service and provide specialist facilities: relatively little will be put into the smaller hospitals. It is essential, however, that a large part of the money should be devoted to the provision of specialist personnel to operate the facilities which have already been provided and for which no trained Libyan staff are available.
There is also an urgent need for qualified staff to train and instruct Libyans for the hospital service, especially nursing, since at present the hospital staffs are far from adequate. The greatest need is for nursing and other instructors in the hospitals and for facilities within the hospitals where ward training could be given. Such personnel cannot be provided out of Provincial Budgetary resources and it is therefore necessary that their employment should be financed from development funds.
It is believed that the programme presented for hospital rehabilitation will provide Libya with a good hospital system in a good state of repair and equipment, but that these facilities will be partially wasted unless the specialist personnel necessary for their operation are provided and unless much greater steps are taken to train Libyans capable of rendering efficient service in the hospitals.

/DET

UNCLASSIFIED

D5L Domestic Water (Rural and Urban)

Synopsis: To develop water resources for smaller towns and to provide pipes, pumps and other permanent installations for urban water supplies; to assist villages and rural communities to develop available domestic water to minimum standards by clearing, rehabilitating, deepening and expanding water capacities of existing wells.

Amount earmarked 1955/6 - 1957/8: £L 501,999

Amount proposed 1958/9: 200,000

To continue the provision of domestic water supplies. The programme allows for providing urban supplies for towns including Cussabat, Garian, Sirte and Zavia, including all the necessary drilling and installation works. It also provides for the continuation of the sanitation and rehabilitation of existing rural wells, although the scale of these operations will be reduced in view of the very considerable progress already made.

Federal Nursing School, Tripoli

New Project

Amount proposed 1958/9: £L 12,000

To support the nursing school by meeting a part of the operating costs, by providing staff for ward training and by providing facilities in the Federal Hospital for ward training.

DECLASSIFIED

PROPOSED ECONOMIC DEVELOPMENT ACTIVITIES FOR 1958/9

HEALTH

LARC Project	Total Earmarked by LARC 1955/6-1957/8	Proposed Programme 1958/59
	£L	£L
D1L Ambulatory, Libya	33,700	25,000
D4L Trachoma and Basic Public Health Equipment	195,714	140,000
D3L Health Laboratory Facilities, Libya	17,500	20,000
D6L Sanitation (Rural)	73,857	48,000
D8L Tuberculosis Survey	22,000	5,000
D7L Rehabilitation of Libyan Hospitals	224,400	180,000
D5L Domestic Water (Rural and Urban)	501,999	200,000
Federal Nursing School	-	12,000
TOTAL	1,069,170	630,000

The activities which form the substance of the public works programme are almost entirely for the provision of basic facilities upon which the economic development of the country may proceed. The principal items relate to the development of essential transport facilities, the establishment of a telecommunications system and a radio broadcasting network.

E2L, E3L, E7L Federal Roads

Synopsis: The Federal Government has designated specific main roads as making up the Federal road system. They are the Federal Coast Road along the Mediterranean coast from Tunisia to Egypt, the Fezzan Road extending from Ghedahia on the Federal Coast Road to Sebha and Ghat, the South Road in Cyrenaica which is paralleled by a section closer to the coast and the road from Sirte which joins the Fezzan road at Hon. This Federal road system has three important functions:

(a) it provides the major means of land communications among the capitals of the three Provinces and with the National capitals which is essential to the cohesive development of the country;

(b) it provides the land communications facility for travel to and from Tunisia and Egypt and through travel along the coast;

(c) it provides the backbone for land transportation through the populated areas for trade and economic development; feeder roads connect with it.

The roads forming the system exist, but they require considerable attention to restore them and maintain the investment that has been placed in them, so that they may provide the required facility for communication.

Amount earmarked 1955/6 - 1957/8: £L 1,317,910

Amount proposed 1958/9: £L 990,000

For the important considerations set forth above, work has already been done to improve the sections which had suffered the most serious deterioration. Recently, under the guidance of a firm of road consultants, a four-year programme has been prepared to put the Federal road system in good condition throughout its length at a much lower cost than has been required previously. The first year of this programme, 1958/9, requires the largest amount because of the need to

complete as soon as possible the application of a seal coat. This is necessary to retain the road in its present condition, avoiding continued deterioration pending the resurfacing of some sections that need attention. The proposal includes the purchase of equipment essential for carrying out the programme efficiently and for continuing maintenance and also the employment of technical consultants and supervision. The first two years of the programme include the reconstruction of bridges which have been destroyed.

The level of activity proposed will make this Federal road system available of meeting the requirements stated above at an early time and with continued value. The programme is based on considerably lower unit costs than hitherto due to the application of more modern design and construction techniques combined with better contract and specification documents.

E20T, E20C, E20F Provincial Roads

Synopsis: This group of roads includes all roads in Libya except the Federal road system. These roads are important to Libya for internal reasons:

(a) they provide travel routes between centres of population, including connection with the Federal backbone system, and are essential for economic development and trade;

(b) they provide farm to market transportation routes on which all-weather travel facilitates the movement of agricultural produce to markets.

Amount earmarked 1955/6 - 1957/8: £L 370,000

Amount proposed 1958/9: £L 170,000

The amount proposed for these roads is based on experience as to the levels of activity that can be carried on by the Provinces annually, and is considered to be less than the needs. In this case also, considerably lower costs per unit will be required due to new designs, new construction techniques and the use of the type of road construction most appropriate to the type of use.

E26L Transport Workshop Equipment

Synopsis: To provide the physical plant and equipment for centralised maintenance workshops for Government transport.

Amount earmarked 1955/6 - 1957/8: £L 40,000

Amount proposed 1958/9: 70,000

/To

To complete the financial provisions for this project, including the equipment of a central transport workshop in Cyrenaica.

E12L Telecommunications

Synopsis: This project is implementing the recommendations contained in the survey report submitted by Hycon-Page, engineering consultants. It will provide a primary network from the Tunisian border to the Egyptian border, carrying international as well as internal services. The telecommunications system will be capable of transmitting voice, telegraph, teletype and facsimile and also of carrying radio programmes from one station to another for simultaneous broadcast. It will provide services to the Fezzan and to other communities outside the primary network. The project includes the improvement of the central exchanges and outside facilities in the capitals to provide good telephone services within these areas.

Amount earmarked 1955/6 - 1957/8: £L 1,137,143

Amount proposed 1958/9: £L 900,000

The contract between the Ministry of Communications and Hycon-Page lists the thirty tasks to be performed to accomplish the objectives. The survey report estimated that the total cost would be less than £L 3.5 million and that about four years would be needed to complete the activity. Major tasks have already been authorised under the contract, with the funds available, to install the primary network between Tripoli and Derna, to install primary facilities between Tripoli and Idris Airport, to perform the engineering work for improvement of Tripoli exchange and to carry out engineering study of other tasks.

The amount proposed for 1958/9 will enable the tasks already authorised to be completed and will provide for the extension of the primary network to the Egyptian and Tunisian borders, for the link from Sirte to Sebha and for work on Tripoli and Benghazi telephone exchanges. In addition, the proposal includes the training of Libyan technicians and operatives and provision for technical consultants and supervision.

E18L Broadcasting

Synopsis: This project, which forms a part of the Hycon-Page telecommunications contract, includes the initial provision of interim radio broadcasting facilities with

limited coverage and permanent installations will give complete broadcast coverage to Libya. It has great value in promoting the integration of the country, in providing mass communications and enabling a large part of the population to be reached for educational and cultural purposes.

Amount earmarked 1955/6 - 1957/8: £L 1,012,857
Amount proposed 1958/9: 536,000

The interim facilities have been provided out of funds already made available and went into operation in 1957. A 50 Kw transmitter is now being installed in Tripoli and will form part of the permanent facilities. The amount proposed for 1958/9 is for the permanent installation of a 100 Kw. medium wave transmitter and a 10 Kw short wave transmitter for Cyrenaica, small transmitters for the Fezzan and for operating costs for the year in accordance with the contract.

E1C Benghazi Harbour

New project

Amount proposed 1958/9: £L 350,000

This project is for the extensive reconstruction of the harbour at Benghazi which was severely damaged during the war and subsequently by heavy weather. It has been the subject of an orderly approach to engineering analysis, design and proposal necessary for such a highly involved and technical project. The preliminary work, financed by LPDSA, has been done in a reasonable period of time and has had the benefit of consideration and comment by the appropriate officials, technicians and others directly concerned in Libya. In July 1957 a working group in Libya approved the present proposed plan of the consulting engineers and recommended it for acceptance and undertaking as soon as funds became available. The estimated cost of the work recommended amounts to £L 5,750,000.

To undertake such a project, it should be anticipated that the work will progress at the most efficient speed and continue uninterrupted until complete. This is important in order to keep the costs to a minimum and because improved conditions will result only when the major works are completed. The work will require bringing to Benghazi heavy equipment that is expensive to move and operate: unless this equipment is used at the continuous efficient rate of operation, costs will

/mount

mount rapidly without benefit. It is the type of work that cannot be handled efficiently or within reasonable cost without the utilisation of such equipment. Accordingly, it is important to initiate such a project only when availability of funds to carry the project to completion has been given maximum assurance. It is estimated that this project should be completed within five years after the start of construction. Once funds are available it will require approximately ten months before a contract will be signed and a contractor is ready to start work. Therefore, assuming that it could be decided to proceed with the project in the coming months, the actual requirement for funds in 1958/9 will be a small proportion of the total of £L 5,750,000. The annual requirements would increase for two or three years thereafter, then decline.

E24T, E24C, E24F, Power Plants - Smaller Communities

Synopsis: To provide, in the smaller towns and villages, for major repairs and additions to power plant buildings, for the acquisition and installation of transmission and distribution equipment, for the purchase and installation of major repair items for generators and, in a few cases, for new generators.

Amount earmarked 1955/6 - 1957/8: £L 124,000

Amount proposed 1958/9: £L 60,000

There is need for continued activity in this field in some communities in each Province; the amount proposed will enable work to proceed at the necessary level in 1958/9.

E25L Low Cost Housing

Synopsis: The growth of shanty towns on the fringes of the capital cities and the very poor housing conditions in other towns present a problem calling for an effective and sustained programme of rehousing. Provision for some rehousing and slum-clearance has been made in the past by LPDSA and by Provincial authorities as well as under the LARC programme: the United Nations has had one expert in Libya to survey the problem and another is now available to give assistance in carrying out the largest programme as yet planned which will be started in Tripolitania.

Amount earmarked 1955/6 - 1957/8: £L 98,000

Amount proposed 1958/9: £L 100,000

/The

The amount proposed would maintain these past efforts, but it is believed that a carefully designed programme based on a survey of needs, including slum-clearance, should be considered as soon as possible. It would include consideration of constructional requirements, accommodation and facilities to be provided, the proper administration of the housing units constructed (perhaps by a Housing Authority) and a scheme of sound financing drawing if possible upon local resources. The funds here proposed would be called for in connection with part or all of the elements of this type of programme and it is hoped they would be used in conjunction with locally provided funds.

E37L Sewerage

New Project

Amount proposed 1958/9: £L 15,000

The provision of adequate sewerage systems in the capital cities is important to public health, to agriculture through the use of treated sewage for fertilisers, and to domestic water supplies through the use of treated effluent for irrigation thereby conserving water for domestic use. The construction of sewerage systems and related plant which would provide for these requirements calls for a thorough prior survey and it is for this purpose that the allocation of funds in 1958/9 is proposed.

E38L Civil Aviation

New Project

Amount proposed 1958/9: £L 55,000

Considerably increased traffic at the international airports at Benghazi and Tripoli calls for improved radio communications equipment to bring the facilities up to the standard required by international air safety regulations. Increased traffic into Sebha also requires improvements to the runway, fire and crash equipment and communications facilities.

E34T Streets, Tripoli City

New Project

Amount proposed 1958/9: £L 50,000

For the construction of an important new connecting road in Tripoli between the Federal Hospital and the Coast Road.

/E23L

RESTRICTED

E23L Antiquities

Now Project

Amount proposed 1958/9: £L 10,000

For the support of work on antiquities and their preservation. The ancient monuments of Libya are an important basis for the tourist industry, which is one of the very few alternative occupations in a country almost entirely dependent on agriculture, and should therefore be developed as fully as possible.

E35C Government Printing Press, Cyrenaica

New Project

Amount proposed 1958/9: £L 30,000

There are at present no adequate facilities for government printing in Benghazi, one of the Federal capitals of Libya. This project would provide for the renovation of a suitable building and the supply and installation of printing machinery.

E36L Meteorology Radio Equipment

New Project

Amount proposed 1958/9: £L 5,000

For the provision of additional radio equipment necessary to maintain an adequate meteorological reporting service for the important international air routes which pass through Libya and for military flying.

Buildings, Fezzan

Amount earmarked 1955/6 - 1957/8: £L 5,000

Amount proposed 1958/9: £L38,500

This proposal embraces the completion of an administration building in Sebha; the construction of a new hotel in Sebha to serve adequately the increasing numbers of tourists and oil-company personnel visiting the Provincial capital and to further develop the tourist industry in the Province; and the construction of five storage buildings throughout the Fezzan for the protection and better distribution of monopoly products such as sugar, tobacco and natron.

DECLASSIFIED

PROPOSED ECONOMIC DEVELOPMENT ACTIVITIES FOR 1958/9

PUBLIC WORKS

LARC Project	Total Earmarked by LARC 1955/6-1957/8 £L	Proposed Programme 1958/9 £L
Federal Roads		
E2L Fezzan Road	197,000	200,000
E3L Federal Coast Road	1,078,510	740,000
E7L Federal Coast Road Bridges	42,400	50,000
Provincial Roads		
E20T Provincial Roads	180,000	80,000
E20C Provincial Roads	190,000	80,000
E20F Provincial Roads	–	10,000
Transport Workshop Equipment		
E26L Transport Workshop Equipment	40,000	70,000
Telecommunications and Broadcasting		
E12L Telecommunications	1,137,143	900,000
E18L Broadcasting	1,012,857	536,000
Harbour		
E1C Benghazi Harbour	–	350,000
Power Plants - Smaller Communities		
E24T Power Plants	40,000)	
E24C Power Plants	50,000)	60,000
E24F Power Plants	34,000)	
Low Cost Housing		
E25L Low Cost Housing	98,000	100,000
Other Activities		
E23L Antiquities	–	10,000
---- Tourism, Fezzan	–	25,000
---- Construction of Storage Buildings Fezzan	–	10,000
E28F Administration Building	5,000	3,500
E34T Street, Tripoli City	–	50,000
E35C Government Printing Press, Cyrenaica	–	30,000
E36L Meteorology Radio Equipment	–	5,000
E37L Sewerage Systems, Tripoli and Benghazi	–	15,000
E38L Civil Aviation	–	55,000
TOTAL	4,104,910	3,379,500

DECLASSIFIED

SPECIAL PROJECTS

F2L National Agricultural Bank

Synopsis: The Bank was established by statute, with capital provided out of LARC funds, to promote and improve agriculture, animal husbandry and forestry by providing financial accommodation to producers and cooperatives engaged in these industries.

Amount earmarked 1955/6-1957/8: £L 1,000,000
Amount proposed 1958/9: 1,000,000

The Bank has at present to limit its operations to meeting the most urgent need i.e. that for short term credits or the provision of crop loans. There is a very clear case however, for extending the Bank's scope to medium term lending where it could give valuable support to extension work and area development schemes being financed under other sections of the program. This would also give farmers throughout the country the possibility of making improvement in equipment, irrigation works and farm animals without which increased productivity can only be achieved with great difficulty. An increase of the Agricultural Bank's capitalization would make this enlargement of the scope possible and would facilitate its participation in the financing of cooperative projects.

F9L Loan Guarantee—Private Development

New Project
Amount proposed 1958/9: £L 50,000

As development proceeds the opportunities for private enterprise increase and already a number of new ventures have been proposed in which local capital would be employed. In some cases these promising developments are held up for lack of sufficient capital and a source of medium term financing for non-agricultural enterprises is now required. There is need in Libya for financial facilities for loan capital for the development of secondary industries: the Libyan Finance Corporation which is empowered to give such help has unfortunately insufficient capital.

As the individual amounts involved at the present time for such new enterprises appear to be relatively small a guarantee fund of some £L.50,000 would seem to be appropriate at this time. The authority to administer such a fund has yet to be designated, though the financial transactions involved might be handled through existing financial institutions. The recent legislation on the

DECLASSIFIED

Encouragement of National Industries, which offers various incentives to new enterprises, is relevant here and the two activities should be conducted in collaboration.

F3Tc Tripoli Power Plant Expansion Loan

Synopsis: One of Libya's critical needs has been more adequate power supplies for Tripoli City and the surrounding agricultural areas and communities. Plans have been made to greatly enlarge the Tripoli power plant and to modernize the entire transmission and distribution system in the Tripoli area: LARC has already provided funds for the purchase of two new 10,000 KW generators.

Amount earmarked 1955/6--1957/8: £L 1,964,300
Amount proposed 1958/9: £L 680,000

The additional funds proposed for 1958/9 are for the purchase of non-electrical equipment and supplies and for the construction contract.

Consideration is being given to the possibility of financing the completion of the entire operation by means of loans.

R

DECLASSIFIED

PROPOSED ECONOMIC DEVELOPMENT ACTIVITIES FOR 1958/59

BANKS, SPECIAL PROJECTS

	LARC Project	Total Earmarked by LARC 1955/6-1957/8	Proposed Programme 1958/9
		£L.	£L.
F2L	National Agricultural Bank	1,000,000	1,000,000
F7L	LAJS Administration	100,000	100,000
F3Tc	Tripoli Power Plant Expansion Loan	1,964,300	680,000
F9L	Loan Guarantee, Private Development	-	50,000
	TOTALS	3,064,300	1,830,000